

Quarterly Certification of Compliance by Non-Participating Manufacturer
Regarding Escrow Payment **State of New Hampshire**

GENERAL INFORMATION

What is the definition of a tobacco product manufacturer?

- Any entity that manufactures cigarettes anywhere that such manufacturer intends to be sold in the United States, including cigarettes that are intended to be sold in the United States through an importer;
- The first purchaser anywhere for resale in the United States of cigarettes manufactured anywhere that the manufacturer does not intend to be sold in the United States; or
- Any successor of any entity described above.

Who is required to file this affidavit?

- Any tobacco product manufacturers which:
 - (1) sells cigarettes to consumers within the state of New Hampshire (whether directly or through any distributor, retailer, or similar intermediary); and
 - (2) has not become a participating manufacturer in the tobacco Master Settlement Agreement.

You must file this affidavit to report the units of cigarettes you sold and pay the amount calculated into your qualified escrow fund.

What is a non-participating manufacturer?

A non-participating manufacturer is any tobacco product manufacturer who has not signed onto the tobacco Master Settlement Agreement, executed on 11/23/98 between 46 U.S. States, including New Hampshire, and certain tobacco companies.

What is a qualified escrow fund?

You are required to establish a qualified escrow fund. This means an escrow arrangement with a federally or state-chartered financial institution having no affiliation with any tobacco product manufacturer and having assets of at least \$1,000,000,000, where such arrangement (1) requires that the financial institution hold the escrowed funds' principal for the benefit of the state of New Hampshire and other "releasing parties" as defined in the Master Settlement Agreement, or 25 years, whichever occurs first, and (2) prohibits you from using, accessing, or directing the use of the funds' principal except as consistent with NH RSA 541-C.

When is this affidavit due?

The affidavit is due on the schedule set forth at Part 2 below

When must I make my escrow payment?

See Part 2 below.

SPECIFIC INSTRUCTIONS

| | |
|---------------------------------------|---|
| Part 1: Manufacturer's Identification | Write your name, address and telephone and fax number. |
| Part 2: Sales Year and Quarter | The sales year is 2006. Payments for each quarter are due no later than the end of the following quarter, with the exception of the fourth quarter payment. Thus payments for the 1st quarter are due by no later than June 30, 2006 ; payments for the 2d quarter are due by September 30, 2006 ; payments for the 3d quarter are due no later than December 31, 2006 , and payments for the 4th quarter are due by April 15, 2007 . |
| Part 3: Units Sold | Write the total number of individual cigarettes, including the amount of "roll-your-own" tobacco (.09 ounces constitutes one cigarette) and little cigars (which weigh three (3) pounds or less per 1,000), sold during the 3d quarter bearing New Hampshire cigarette stamps. On Schedule A, provide an itemized list by brand, wholesaler, or importer, as applicable, of all cigarettes included in the certification total reported at Part 3. |
| Part 4: Deposit Amount | Write the appropriate rate for the sales year. Write the amount you paid into your qualified escrow fund. Multiply the units of cigarettes by the appropriate rate and write the amount. The Inflation factor for quarterly payments is estimated based on a 3% inflation rate. If necessary, that rate will be adjusted in connection with the April 15, 2006 payment. |
| Part 5: Financial Institution | Write the name and address of the financial institution holding your escrow account. Include your escrow account number. Also write the total cumulative amount currently in your escrow account. |
| Part 6: Signature | An authorized notary public must also sign and date this affidavit. |

Certification of Compliance by Non-Participating Manufacturer
Regarding Escrow Payment **State of New Hampshire**

Part 1: Manufacturer's Identification

Name: _____
Address: _____
Phone: _____ Fax: _____

Part 2: Sales Year 2006/Quarterly Payments

The Period of Sales for this Affidavit is: 1st Quarter ____ 2d Quarter ____ 3d Quarter ____
4th Quarter ____

Part 3: Units Sold

Number of individual cigarettes, including little cigars and "roll-your-own" tobacco, sold by the Manufacturer identified above during the sales period bearing New Hampshire cigarette tax stamps is as follows: *(see instructions for details)*

Part 4: Deposit Amount

For the sales year: *(Use the rates listed below to figure the appropriate deposit amount)*

| | Statutory Rate Per Cigarette | Inflation Adjusted Rate Per Cigarette (Pay This Rate) |
|--|---|--|
| Sales year 1999 (payable April 15, 2000) | \$.0094241 | \$.Statutory Rate multiplied by 1.03 |
| Sales year 2000 (payable April 15, 2001) | \$.0104712 | \$.Statutory Rate multiplied by 1.0644841 |
| Sales year 2001 (payable April 15, 2002) | \$.0136125 | \$.Statutory Rate multiplied by 1.096830623 |
| Sales year 2002 | \$.0136125 | \$.Statutory Rate multiplied by 1.1297355 |
| Sales year 2003 | \$.0167539 | \$.Statutory Rate multiplied by 1.163627565 |
| Sales year 2004 | \$.0167539 | \$.Statutory Rate multiplied by 1.201510159 |
| Sales year 2005 (payable quarterly) | \$.0167539 | \$.Statutory Rate multiplied by 1.2425497 |
| Sales year 2006 (payable quarterly) | \$.0167539 | \$ Statutory Rate Multiplied by 1.2798262 |
| Sales Year 2007 and After | \$.0188482 | To Be Determined |

The appropriate rate for the 2006 sales year is
This is the same amount that has been paid into the qualified
Escrow Account by the Manufacturer identified above
(Multiply units in Part 3 by the appropriate rate in Part 4)

\$ 0.0214421 (estimated)

\$ _____

Note: Attach a copy of your receipt or other proof of deposit from your financial institution

Part 5: Financial Institution

Name of Institution: _____
Address: _____
Escrow Account No: _____
Total Amount Held: _____

UNLESS PREVIOUSLY SUBMITTED, PLEASE SUBMIT A COPY OF ANY CONTRACT OR AGREEMENT WITH THE FINANCIAL INSTITUTION ESTABLISHING AND SHOWING ALL TERMS OF THE ESCROW FUND.

Part 6: Signature

Under penalty of perjury, I state that, to the best knowledge, all of the information contained in this affidavit is true and accurate. *This document must also be signed and dated by an authorized notary public.*

Name of Authorized Agent: _____ Title: _____

Signature of Authorized Agent: _____ Date: _____

Subscribed and sworn to before me on this date: _____

Signature of Notary Public: _____ City/State _____

Printed Name of Notary: _____

My Commission Expires: _____

Mail this affidavit to:

**Office of the Attorney General
Tobacco Compliance Project c/o Gallagher, Callahan & Gartrell, P.C.
214 North Main Street, P.O. Box 1415
Concord, New Hampshire 03302-1415**

Copies may be e-mailed to Maroney@gcglaw.com However, you must still mail a signed original.
Form: www.gcglaw.com/tobacco

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Tobacco Compliance Project
c/o Gallagher, Callahan & Gartrell,
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SCHEDULE A
Non-Participating Manufacturer
Reporting Form
2006

Please provide the following information with respect to cigarettes sold to purchasers within the State of New Hampshire

Company

Name: _____ Reporting Year: 2006 1st Quarter _____ 2d Quarter _____
3d Quarter _____ 4th Quarter _____

| Brand Name (a) | No. of Cigarettes Sold in New Hampshire (b) | Ounces of Roll-Your- Own Tobacco Sold in New Hampshire (c) | Name & Address of the Wholesaler, Distributor or Retailer to Whom Each Cigarette Was Sold (d) | Name & Address of the First Importer of Foreign Manufactured Cigarettes (e) |
|-------------------|--|---|--|---|
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Signed under the Pains and Penalties of Perjury

Dated: _____

Name:

Job Title: